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09/593,106	06/13/2000	Michael J. Williams	99913/11	7565

26371 7590 01/20/2004  
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EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT PAPER NUMBER

3624

DATE MAILED: 01/20/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/593,106

Applicant(s)

WILLIAMS ET AL.

Examiner

Narayanswamy Subramanian

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 28 October 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1,2,4-8,10-14,16,23,25,26,28,29,31-33,35-39,41 and 53-58 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,2,4-8,10-14,16,23,25,26,28,29,31-33,35-39,41 and 53-58 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
- a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 20.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

Art Unit: 3624

### **DETAILED ACTION**

1. This communication is in response to applicant's Continued Prosecution Application request filed on October 28, 2003. Amendments to claims 1, 2, 4-8, 10-14, 16, 23, 25, 26, 28, 29, 31, 33, 35-39 and 41 and newly added claims 53-58 have been entered. Claims 1, 2, 4-8, 10-14, 16, 23, 25, 26, 28, 29, 31-33, 35-39, 41 and 53-58 are pending in the application and have been examined. The rejections and response to arguments are stated below.

#### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1, 4-8, 10, 28, 31-33, 35, 53 and 54 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al (US Patent 6,088,686).

With reference to claims 1, 4-8, 10, 28, 31-33, 35, 53 and 54, Walker discloses a method and system of an on-line loan application and qualification method, comprising the steps of: receiving a loan application data for a loan, the loan application data including financial information concerning a borrower and specifying a loan principal; identifying a plurality of approved loan products based on the loan application data, the plurality of approved loan products being identified using an automated underwriting engine that generates underwriting recommendations; calculating a customized interest rate based on the financial information for each of the plurality of approved loan products; and providing information regarding approval status and the customized interest rate for presentation to the borrower for each of the plurality of

Art Unit: 3624

approved loan products for borrower comparison and selection of one of the plurality of approved loan products (See Walker Abstract, Column 2 lines 1-53, Column 3 lines 37-47, Column 6 lines 16-64 and Column 9 lines 32-65). Generating underwriting recommendations using an automated underwriting engine is inherent in the system of ACAPS, the loan principal, the step of determining the likelihood that said potential borrower will be approved without reliance on a collateral appraisal, obtaining a credit report on the borrower, verifying collateral (See Walker Claims 15 and 24) loan product selected for submission to the underwriting engine by the borrower and at least one loan product selected for submission to the underwriting engine automatically and not by the borrower (See Walker Column 6 lines 25-30) and the approval status and customized rate information presented for side-by-side comparison are inherent in the disclosure of Walker. Verifying collateral is interpreted to include the steps of determining an appropriate level of collateral appraisal field work to be performed including one of waived, exterior-only collateral inspection and interior and exterior collateral inspection.

Walker does not explicitly teach the steps where the loan is a mortgage loan or mortgage refinance loan and using at least in part underwriting guidelines of a secondary mortgage market purchaser.

Official notice is taken that these steps are well known in the art. Home mortgage loans help individuals and families purchase homes and mortgage refinance loans help existing mortgage holders to lower their payments by taking advantage of lower interest rates. Using the underwriting guidelines of a secondary mortgage market purchaser increases the likelihood of selling the loan to a secondary mortgage market purchaser and provides funds for the lender to make new or additional loans.

Art Unit: 3624

It would have been obvious to one with ordinary skill in the art at the time of invention to include these steps to the disclosure of Walker. The combination of the disclosures taken as a whole suggests that at least some lenders of mortgage loans and mortgage refinance loans would have benefited from the increased likelihood of selling the loan to a secondary mortgage market purchaser and generating funds to make new or additional loans.

4. Claims 2, 11-14, 16, 23, 25, 26, 29, 36-39, 41 and 55-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al (US Patent 6,088,686) in view of Dykstra (US Patent 6029149).

With reference to Claims 2 and 29, Walker teaches a method and system of claims 1 and 28 respectively as discussed above including the step of receiving a selection of one of the plurality of approved mortgage products (See Walker Figure 50, Box 2236).

Walker does not explicitly teach the steps of receiving a lock of the customized interest rate for the selected loan product and aggregating closing costs into the loan principal of the loan.

Dykstra teaches the step of receiving a lock of the customized interest rate for selected loan product (See Dykstra Column 7 lines 47-50). Locking the rates protects the borrower against any increases in interest rates. Official notice is taken that aggregating closing costs into said loan principal of said selected loan is old and well known in the art. Aggregating closing costs help lenders lend more money and help borrowers borrow without making a down payment.

It would have been obvious to one with ordinary skill in the art at the time of invention to include these steps to the disclosure of Walker. The combination of the disclosures taken as a whole suggests that borrowers and lenders would have benefited as discussed above.

With reference to Claims 11-14, 16, 55 and 56, Walker teaches an on-line mortgage loan application and qualification method, comprising the steps of: obtaining loan application data for a loan, the loan application data including financial information concerning a borrower and specifying a loan principal; identifying a plurality of approved loan products based on the loan application data, the plurality of approved loan products being identified using an automated underwriting engine that generates underwriting recommendations; calculating a customized interest rate based on the financial information for each of the plurality of approved loan products; providing information regarding approval status and the customized interest rate for presentation to the borrower for each of the plurality of approved loan products for borrower comparison and selection of one of the plurality of approved mortgage products, receiving an on-line operator selection of one of the plurality of approved mortgage products. (See Walker Abstract, Figure 50, Box 2236, Column 2 lines 1-53, Column 3 lines 37-47, Column 6 lines 16-64 and Column 9 lines 32-65). Generating underwriting recommendations using an automated underwriting engine is inherent in the system of ACAPS, the loan principal, the step of determining a probability that said potential borrower will be approved based on a credit score, loan product selected for submission to the underwriting engine by the borrower and at least one loan product selected for submission to the underwriting engine automatically and not by the borrower (See Walker Column 6 lines 25-30) and the approval status and customized rate information presented for side-by-side comparison are inherent in the disclosure of Walker. Credit scores are interpreted to

Art Unit: 3624

include proxy credit scores also and the network (Column 12 lines 36-48) is interpreted to include a global computer network including the Internet.

Walker does not explicitly teach the steps wherein the loan is a mortgage loan or mortgage refinance loan, using at least in part underwriting guidelines of a secondary mortgage market purchaser; providing on-line updated customized interest rate information for presentation to the borrower during a float period after the operator selection is received and receiving an on-line operator lock of the customized interest rate for the selected loan product.

Dykstra teaches the step of receiving a lock of the customized interest rate for selected loan product (See Dykstra Column 7 lines 47-50). Locking the rates protects the borrower against any increases in interest rates. Official notice is taken that the other steps are well known in the art. Home mortgage loans help individuals and families purchase homes and mortgage refinance loans help existing mortgage holders to lower their payments by taking advantage of lower interest rates. Using the underwriting guidelines of a secondary mortgage market purchaser increases the likelihood of selling the loan to a secondary mortgage market purchaser and provides funds for the lender to make new or additional loans. Aggregating closing costs help lenders lend more money and help borrowers borrow without making a down payment.

It would have been obvious to one with ordinary skill in the art at the time of invention to include these steps to the disclosure of Walker. The combination of the disclosures taken as a whole suggests that borrowers and lenders would have benefited as discussed above.

With reference to Claims 23, 25, 26, 36-39, 41, 57 and 58, Walker teaches an on-line mortgage loan application and qualification method and system, comprising the steps of: obtaining loan application data for a loan, the loan application data including financial

Art Unit: 3624

information concerning a borrower and specifying a loan principal; identifying a plurality of approved loan products based on the loan application data, the plurality of approved loan products being identified using an automated underwriting engine that generates underwriting recommendations; calculating a customized interest rate based on the financial information for each of the plurality of approved loan products including calculating adjustments to said required yield associated with the mortgage product based on at least one of (i) credit risk posed by the borrower, (ii) collateral risk associated with not requiring a collateral appraisal, (iii) loan-to-value ratio, and (iv) loan purpose; providing information regarding approval status and the customized interest rate for presentation to the borrower for each of the plurality of approved loan products for borrower comparison and selection of one of the plurality of approved mortgage products, receiving an on-line operator selection of one of the plurality of approved mortgage products. (See Walker Abstract, Figure 50, Box 2236, Column 2 lines 1-53, Column 3 lines 37-47, Column 6 lines 16-64 and Column 9 lines 32-65). Generating underwriting recommendations using an automated underwriting engine is inherent in the system of ACAPS, the loan principal, the step of determining a probability that said potential borrower will be approved based on a credit score, loan product selected for submission to the underwriting engine by the borrower and at least one loan product selected for submission to the underwriting engine automatically and not by the borrower (See Walker Column 6 lines 25-30) and the approval status and customized rate information presented for side-by-side comparison are inherent in the disclosure of Walker. Credit scores are interpreted to include proxy credit scores also, price points being determined by several credit worthiness factors are interpreted to include credit risk posed by the borrower, collateral risk associated with not requiring a collateral appraisal, loan-to-value ratio, and loan



Art Unit: 3624

purpose and the network (Column 12 lines 36-48) is interpreted to include a global computer network including the Internet.

Walker does not explicitly teach the steps wherein the loan is a mortgage loan or mortgage refinance loan, using at least in part underwriting guidelines of a secondary mortgage market purchaser; receiving an on-line operator selection of a float option, providing on-line updated customized interest rate information for presentation to the borrower during a float period after the operator selection is received and receiving an on-line operator lock of the customized interest rate for the selected loan product.

Dykstra teaches the step of receiving a lock of the customized interest rate for selected loan product (See Dykstra Column 7 lines 47-50). Locking the rates protects the borrower against any increases in interest rates. Official notice is taken that the other steps are well known in the art. Home mortgage loans help individuals and families purchase homes and mortgage refinance loans help existing mortgage holders to lower their payments by taking advantage of lower interest rates. Using the underwriting guidelines of a secondary mortgage market purchaser increases the likelihood of selling the loan to a secondary mortgage market purchaser and provides funds for the lender to make new or additional loans. Aggregating closing costs help lenders lend more money and help borrowers borrow without making a down payment.

It would have been obvious to one with ordinary skill in the art at the time of invention to include these steps to the disclosure of Walker. The combination of the disclosures taken as a whole suggests that borrowers and lenders would have benefited as discussed above.

***Response to Arguments***

5. Applicant's arguments with respect to claims 1, 2, 4-8, 10-14, 16, 23, 25, 26, 28, 29, 31-33, 35-39 and 41 have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (703) 305-4878. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (703) 308-1065. The fax number for Formal or Official faxes and Draft or Informal faxes to The Patent Office is (703) 872-9306. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

N. Subramanian  
January 6, 2004

Richard Weisberger  
Primary Examiner

